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Superior Court of California
County of Los Angeles

JUN 17 2016

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SUPERIOR COURT OF THE STATE OF CALIFORNIA
COUNTY OF LOS ANGELES, CENTRAL DISTRICT

10 THE PEOPLE OF THE STATE OF
11 CALIFORNIA,

12 Plaintiff,

13 vs.

15 VENICE SUITES, LLC, a California limited
16 liability company; CARL LAMBERT, an
17 individual; and DOES 1 through 100,
18 inclusive,

19 Defendants.

-) Case No.: **BC 6 2 4 3 5 0**
)
) **COMPLAINT FOR INJUNCTIVE AND**
) **OTHER EQUITABLE RELIEF AND**
) **CIVIL PENALTIES FOR:**
)
) **1. LOS ANGELES MUNICIPAL CODE**
) **SECTION 11.00;**
)
) **2. PUBLIC NUISANCE IN VIOLATION**
) **OF CIVIL CODE SECTION 3479 ET**
) **SEQ.;**
)
) **3. UNFAIR COMPETITION LAW**
) **(BUSINESS AND PROFESSIONS**
) **CODE SECTION 17200 ET SEQ.);**
) **AND**
)
) **4. FALSE ADVERTISING PRACTICES**
) **(BUSINESS AND PROFESSIONS**
) **CODE SECTION 17500 ET SEQ.)**

COPY

1 Plaintiff, the People of the State of California, complaining of the above-named
2 Defendants, alleges as follows, which allegations are based upon information and belief insofar
3 as they pertain to the conduct of Defendants.

4 **INTRODUCTION**

5 1. This is a civil law enforcement action brought by the Los Angeles City Attorney's
6 Office ("City Attorney") on behalf of the People of the State of California ("People") under
7 LAMC section 11.00; California Public Nuisance Law (Civil Code, section 3479 et seq.); the
8 Unfair Competition Law (Business and Professions Code section 17200 et seq.); and, the False
9 Advertising Law (Business and Professions Code section 17500 et seq.) against Defendants,
10 seeking to bring the apartment building located at 417 Ocean Front Walk ("417 OFW") into
11 compliance with all applicable regulations and to enjoin Defendants from maintaining 417 OFW
12 as an illegal hotel or illegal transient occupancy residential structure.

13 2. The City of Los Angeles is in the midst of a housing crisis. Average renters pay
14 nearly 47% of their income toward rent, well above the 30% of income considered affordable.
15 High rental costs, increasing demand due to population growth, expiring affordability covenants,
16 decreased funding for the production of new affordable housing units and the large scale
17 conversion of affordable and rent stabilized units into short-term rentals contribute to what is
18 now considered to be a major housing crisis in Los Angeles. A report from the Los Angeles
19 Alliance for a New Economy¹ confirms that apartment owners are evicting long-term tenants and
20 converting rent-controlled units into commercial short-term rental operations. The loss of these
21 units in the long-term rental market has driven up total housing costs for L.A. renters by more
22 than \$464 million in the last year.

23 3. Short-term rental schemes, like those described below, have created a business
24 model that relies on incentivizing landlords to illegally transform residential rental units into
25 transient, short term, tourist accommodations. The illegal conversion of rent-stabilized units
26 must end.

27 _____
28 ¹ Los Angeles Alliance for a New Economy (LAANE: A New Economy For All), Short-Term Rentals
and L.A.'s Lost Housing (Aug. 24, 2015) p. 3.

1 4. Defendants own and manage an illegal hotel or illegal transient occupancy
2 residential structure at 417 OFW in Venice, California. The structure, approved as a 32-unit
3 apartment house, once home to long-term tenants, is subject to the City's Rent Stabilization
4 Ordinance.² Defendants have emptied the apartment house of long-term tenants and now fill it
5 with short-term, transient occupants. The Certificate of Occupancy issued by the City of Los
6 Angeles does not allow Defendants to operate their apartment house as a hotel or transient
7 occupancy residential structure. In fact, since 2009, Defendants have and continue to operate the
8 apartment building as an illegal hotel, using the Internet to advertise the apartment units as a
9 hotel or transient occupancy rooms and invite members of the public to reserve the units for
10 transient occupancy. Defendants are well aware that what they are doing is illegal. Despite
11 having received an official notice to discontinue the illegal use from the appropriate City
12 enforcement agency, Defendants persist in their unlawful use and operation of the subject
13 property as an illegal, unapproved hotel.

14 5. As a result of their illegal use, Defendants violate the City's zoning laws and
15 directly contribute to the City's lack of affordable housing by removing available housing stock
16 from the rental market.

17 6. Defendants deceive the public with their false advertisements and compete
18 unfairly against legitimate, approved hotels that must comply with necessary regulations,
19 including building and habitability laws, Fire Code requirements, parking requirements and
20 zoning requirements. Defendants further compete unfairly against legitimate hotels by
21 misleading and directing the public to their illegal hotel, thereby reducing lawful occupancies
22 and revenue from legitimate area hotels.

23 7. Defendant Carl Lambert ("Lambert") owns and manages the 32-unit apartment
24 house located at 417 South Ocean Front Walk, Venice, California 90291.³ By and through
25
26

27 ² Los Angeles Municipal Code ("LAMC"), section 151.00 et seq.

28 ³ 417 OFW is more specifically described as Lot 247, Block 4 of Golden Bay Tract, as per Map recorded
in Book 2, Page 15 of maps in the office of the County Recorder, Assessor Parcel Number 4286-029-004.

1 Defendant Venice Suites, LLC (“VSLLC”), Lambert owns and/or manages 417 OFW, operating
2 under the name “Venice Suites.”

3 8. 417 OFW is a 32-unit apartment house built in 1921. Its operative Certificate of
4 Occupancy, issued June 10, 1966 by the Los Angeles Department of Building and Safety,
5 authorizes the building to be used as a “Thirty-Two Unit Apartment House.” It is located in the
6 R3 Multiple Dwelling Zone. (LAMC, § 12.10.) Residential uses, such as apartment house use,
7 are permitted within the R3 Multiple Dwelling Zone. However, commercial hotel use is not
8 permitted within an R3 Multiple Dwelling Zone. (LAMC, § 12.10(A).)

9 9. Plaintiff seeks the appointment of a receiver for 417 OFW pursuant to Business
10 and Professions Code sections 17203 and 17535. Plaintiff also seeks award of civil penalties for
11 Defendants’ past and current violations under LAMC section 11.00, subdivision (l) and Business
12 and Professions Code sections 17206 and 17536. Finally, Plaintiff seeks restitution under
13 Business and Professions Code sections 17203, 17204 and 17535 to restore to any person in
14 interest any money which Defendants acquired through unfair competition.

15 **THE PARTIES**

16 10. Plaintiff is the sovereign power of the State of California as designated by LAMC
17 section 11.00, subdivision (l); Civil Code section 3494 and Code of Civil Procedure section 731;
18 and Business and Professions Code sections 17204 and 17535. Plaintiff is the complaining party
19 in civil enforcement actions brought under these statutes and acts through the Los Angeles City
20 Attorney, Michael N. Feuer, who brings the First, Second, Third, and Fourth Causes of Action
21 pursuant to authority granted to him by law.

22 11. Defendant VSLLC is, and at all times relevant hereto was, a limited liability
23 company organized and existing under the laws of the State of California, with its principal place
24 of business in Venice, California. According to publicly available records, VSLLC has owned
25 417 OFW since September 1999.

26 12. Defendant Lambert is, and at all times relevant hereto was, a resident of Malibu,
27 California, and the managing member of VSLLC.

28 13. Each of the Defendants is jointly and severally liable by act, omission, strict

1 liability, negligence, agency, respondeat superior, alter ego, or otherwise for the violations of law
2 alleged herein. At all times relevant hereto, Defendants were acting as the agents, assignees,
3 partners, joint venturers, alter egos, representatives, co-schemers, co-conspirators or employees
4 of each other, and in committing the wrongful acts and omissions alleged herein, were acting
5 within the course and scope of that agency, assignment, partnership, joint venture, alter ego
6 relationship, representation, scheme, conspiracy or employment. Each Defendant had and has
7 knowledge or constructive notice of the acts of every other Defendant. The allegations in this
8 Complaint apply equally to the fictitious Defendants, DOES 1 through 100.

9 14. Whenever this Complaint refers to an act or failure to act by Defendants, such
10 allegation and reference shall be deemed to mean also the act and failure to act of each
11 Defendant, whether acting individually or jointly and severally.

12 15. Defendant Lambert formed, used and continues to use VSLLC as a mere
13 instrumentality and conduit through which, for his convenience, he has conducted and continues
14 to conduct his business and management of 417 OFW. There has been and is a unity of interest
15 between Lambert and VSLLC, which is merely an alter ego of Lambert.

16 16. Plaintiff does not know the true names and capacities of Defendants DOES 1
17 through 100, inclusive, and therefore sues those Defendants by such fictitious names. Plaintiff
18 will amend this Complaint to insert the true names and capacities of said fictitious Defendants,
19 when ascertained. The allegations in this Complaint apply equally to the fictitious Defendants,
20 DOES 1 through 100.

21 JURISDICTION AND VENUE

22 17. The Court has subject matter jurisdiction over this action pursuant to LAMC
23 section 11.00; Business and Professions Code sections 17204 and 17535; Civil Code section
24 3479 et seq.; and, LAMC section 11.00.

25 18. The Court has personal jurisdiction over each of the Defendants pursuant to
26 California Constitution, article VI, section 10 and Code of Civil Procedure section 410.10
27 because each Defendant conducts substantial business in or resides in Los Angeles, California;
28 each Defendant has purposefully availed himself, herself, or itself of the benefits of doing

1 business in this City and State; Defendants' violations of law alleged herein occurred, in whole
2 or in part, in this City and State; and, each registered corporate Defendant conducts substantial
3 business in the City and County of Los Angeles.

4 19. Venue for this matter lies within the County of Los Angeles pursuant to Code of
5 Civil Procedure sections 393, 395 and 395.5 because Defendants operate their business in the
6 County of Los Angeles, Defendant Lambert lives in the County of Los Angeles, and the
7 violations of law alleged herein occurred, in whole or in part, in the County of Los Angeles.

8 NATURE OF VIOLATIONS AND HISTORY

9 **False Advertising**

10 20. Defendants Lambert and VSLLC persist in falsely advertising 417 OFW as a
11 hotel or transient occupancy residential structure. As early as August 2009, Defendants hung
12 banners that advertised 417 OFW for rent as "Venice Suites."

13 21. Defendants developed and/or use a website at www.venicesuites.com to advertise
14 417 OFW as a hotel and to receive bookings of the building's units for transient occupancy via
15 the Internet. The VeniceSuites.com website provides its contact information as: "417
16 OceanFront [*sic*] Walk[;] Venice, California, 90291, United States[;]
17 manager@venicesuites.com[;] 310.566.5224." Members of the public can read about, view
18 pictures of, and book rooms directly from the website. The website describes the different types
19 of rooms; the rooms' amenities; allows the public to check the availability of rooms; shows the
20 prices per night; displays photographs and virtual tours of the rooms' dimensions and
21 furnishings; and, even links to reviews posted on TripAdvisor.com.

22 22. Defendants offer several types of rooms for transient occupancy, including: "City
23 View Queen Studios" (\$175 per night) on the ground floor; "City View Deluxe Queen Studios"
24 (\$200 per night) offering "city views" on the first, second, and third floors; "Ocean View One
25 Bedroom Suites" (\$275 to \$300 per night) offering "sea views" on the west side of the building;
26 "City View One Bedroom Suites" (\$200 per night) offering "city views" on the east side of the
27 building; and "Partial Sea View Queen Studios" (\$300 per night) offering "partial sea views" on
28 the top floor.

1 23. The TripAdvisor.com reviews are accessible by clicking on the link provided.
2 Since August 2008, there have been at least 253 reviews and 380 photographs posted for “Venice
3 Suites.” Some of the photographs are nested in a folder called “Management photos” that are
4 provided “[c]ourtesy of the property owner.” The most recent review was posted the first week
5 of June 2016 and the oldest on August 17, 2008.

6 24. Defendants have responded to most online reviews and posts. For example, in
7 response to one comment, “CarlVeniceBeach, Manager at Venice Suites” wrote: “We are glad
8 you enjoyed your stay and hope to see you again on your next visit to Venice Beach. For direct
9 booking discounted rates and the best rate overall please contact us directly via phone or email.
10 The best online rates are available at venicesuites.com.”

11 25. In response to another comment, “CarlVeniceBeach, Manager at Venice Suites”
12 wrote: “We are the only Venice Beach boardwalk hotel where you step out our front door and on
13 to the sand. We are within walking distance to everything including boutique shops and
14 restaurants from Abbott Kinney Blvd to the Santa Monica Pier. We have friendly front desk
15 staff providing great customer service to our guests on a daily basis. Our staff is all Venice
16 Beach locals who are very knowledgeable and happy to help with information and suggestions
17 for almost anything. We are glad you enjoyed your stay with us and look forward to seeing you
18 again the next time you are in LA. For direct booking discounted rates and the best rate overall
19 please contact us directly via phone or email. The best online rates are available at
20 venicesuites.com.”

21 26. The TripAdvisor webpage for Venice Suites has a link entitled “Best Rates Direct
22 Booking.” Clicking on the link leads to Defendants’ statement that “[t]he best rates are only
23 available by booking directly with us and on our website. Our rates range from \$150 to \$300 per
24 night depending on the size and view of the room. Mention this Trip Adviser offer for a 15%
25 discount off your stay.”

26 27. On the Venicesuites.com website, on the linked page entitled “FAQ at Venice
27 Suites,” Defendants advertise 417 OFW as hotel by stating: “We are definitely more than [sic] a
28 hotel. We go the extra mile to bridge the gap between hotel and home and operate as your home

1 away from home on the beach. We offer guests the chance to live like a local in comfort and
2 style”; “We pride ourselves on having the best rooftop terrace of any hotel on the Venice Beach
3 boardwalk”; and, “We are the only Venice Beach boardwalk hotel where you step out our front
4 door and on to the boardwalk just steps from the sand.”

5 28. On the Venicesuites.com website, a linked page entitled “Blog” shows a banner
6 posted on and hanging from the exteriors stating: “More Than a Hotel. VS. Nightly, Weekly &
7 Monthly. (310) 566-2222.” Further down the page is the statement: “The hardwood floors and
8 full kitchens, complete with granite counter tops, are just two of the popular features that set our
9 Deluxe Queen Studios apart from other SoCal resorts.”

10 29. The “FAQ page” at Venicesuites.com describes information helpful for transient
11 guests, such as: the office hours (“open from 8:00 am to 8:00 pm”); the check-in and check-out
12 times (“check-in time is 3:00 pm and our-check out time is 12:00 noon”); cancellation policy
13 (“[c]ancellations made outside the 10 days from arrival will receive a deposit refund”);
14 housekeeping service; and, directions and preferred modes of transportation from the airport.

15 30. The Venicesuites.com site provides other information targeted toward transient
16 guests: “Venice Beach Events” includes a calendar of coming attractions at Venice Beach;
17 “Location” has an interactive pin map of Venice with drop down menus for local attractions,
18 dining, nightlife, and gyms. Clicking the boxes next to the drop down menus pinpoints specific
19 local establishments.

20 31. The Venicesuites.com website states “Hotel Marketing by BookingSuite.” On its
21 website (suite.booking.com), BookingSuite states that it is “a new unit of Booking.com dedicated
22 to helping accommodation providers grow their businesses and brands through cloud-based
23 software and services. The BookingSuite platform integrates with numerous reservation
24 systems, channel managers, social media channels, and property management systems.”
25 According to Booking.com, BookingSuite offers the typical independent and boutique hotel a
26 mobile-optimized website in exchange for the hotel paying a 10% commission to Booking.com
27 for any “direct” reservations” made through the website in addition to a 15% basic rate for
28 reservations processed through Booking.com.

1 32. Defendants disseminate untrue or misleading information to the public by
2 advertising 417 OFW as a hotel called “Venice Suites” on many other websites. These include:
3 Booking.com (877 reviews since July 2014); Hotels.com (279 reviews since July 2015);
4 Kayak.com (1,266 reviews since May 2014); Expedia.com (256 reviews since July 2014);
5 Priceline.com (14 reviews since October 2014); Hipmunk.com (625 reviews); Hotwire.com (256
6 reviews since July 2014); and, Travelocity.com (248 reviews since July 2014).

7 33. On the Booking.com webpage, Defendants state that “Venice Suites has been
8 welcoming guests since Dec 17, 2013.” Similar comments advertising transient occupancy are
9 made on other webpages: Kayak.com (“This beach hotel is within close proximity of Muscle
10 Beach Venice and Venice Fishing Pier”); Expedia.com (“Beachside hotel walking distance from
11 Venice Beach”); Hipmunk.com (“The Venice Suites is a 30 room hotel consisting of studio and
12 one bedroom suites”); Hotwire.com (“Ocean Park, California, United States of America hotel
13 walkable to Venice Beach”); and Travelocity.com (“This beach hotel is within close proximity of
14 Muscle Beach Venice and Venice Fishing Pier”).

15 34. One website, called Bestoftheboardwalk.com, includes three links to 417 OFW.
16 417 OFW is subsumed under the category “Venice Suites Collection,” a “collection of extended-
17 stay apartment hotels offer[ing] the very best in Venice Beach hotel lodging, with full kitchens
18 and a range of vacation enhancing amenities designed to make your stay comfortable and
19 carefree.” The website description reads: “Discover a new way of thinking when it comes to
20 hotel accommodations. The Venice Suites Collection offers stylish, apartment style living that is
21 an ideal home base whether you're staying in Venice Beach for business or pleasure. Our
22 spacious, amenity-rich apartments offer contemporary furnishings, modern design features and a
23 full menu of guest-inspired touches that make our Venice Beach collection more like home than
24 a hotel. All properties have FREE PARKING nearby.”

25 ///
26 ///
27 ///
28 ///

1 **Defendants' Knowledge of Illegality**

2 35. At all times relevant, Defendants Lambert and VSLLC knew and know that 417
3 OFW may not legally be used as a hotel or transient occupancy residential structure. Despite
4 their actual knowledge, Defendants Lambert and VSLLC continue to operate and maintain 417
5 OFW as an illegal hotel or illegal transient occupancy residential structure.

6 36. Every year since 2005, Lambert and VSLLC have paid the registration or annual
7 registration renewal fee required under the Rent Stabilization Ordinance for each of the 32 rent
8 stabilized units at 417 OFW. (LAMC, § 151.05(A)(5).)

9 37. In 2000, Lambert applied for a building permit to remodel the interior. In the
10 permit application, Lambert described the building's existing use as "Apartment." The Los
11 Angeles Department of Building and Safety issued permit number 00016-10000-01351 on
12 February 24, 2000, authorizing the building's continued use as an apartment building—not as a
13 hotel or transient occupancy residential structure.

14 38. In January 2015, Lambert (on behalf of VSLLC) applied for a Mello Act
15 Determination with the Los Angeles Housing and Community Investment Department
16 ("HCIDLA") and Los Angeles Department of City Planning ("DCP") to convert the building's
17 use from apartment house to transient occupancy.⁴ Under the Mello Act, "the conversion or
18 demolition of existing residential dwelling units occupied by persons and families of low or
19 moderate income . . . shall not be authorized unless provision has been made for the replacement
20 of those dwelling units with units for persons and families of low or moderate income." (Gov.
21 Code, § 65590, subd. (b).) The City must first determine "that replacement of all or any portion
22 of the converted or demolished dwelling units is feasible" (Gov. Code, § 65590, subd. (b).)
23 Once the City makes such determination, then replacing dwelling units occupied by persons and
24 families of low or moderate income is required. (Gov. Code, § 65590, subd. (b).)

25 39. In his January 8, 2015 application to HCIDLA, under the heading "Description of
26 proposed demolition or conversion," Lambert wrote "CONVERSION TO TRANSIENT

27 _____

28 ⁴ Planning Case #ZA-2015-0629 (CDP) (ZV) (ZAA) (SPP) (MEL).

1 OCCUPANCY RESIDENTIAL.” On his January 31, 2015 application to DCP, in the space
2 provided for under the heading “Project Description,” Lambert wrote “CHANGE OF USE TO
3 32 UNIT TRANSIENT OCCUPANCY RESIDENTIAL.” The application is still pending.

4 40. On January 26, 2015, HCIDLA issued a Notice and Order to Comply (“Order to
5 Comply”) to Defendants VSLLC and Lambert. The Order to Comply cited Defendants for
6 violating the LAMC by illegally changing 417 OFW’s occupancy from residential use to
7 transient use. Specifically, HCIDLA cited Defendants for using 417 OFW as an illegal hotel for
8 transient occupancy without obtaining a building permit and Certificate of Occupancy from the
9 LADBS. The Order to Comply directed Defendants to discontinue the unapproved use by March
10 4, 2015. Despite having received the Order to Comply, Defendants persist in operating 417
11 OFW as an illegal hotel or as an illegal transient occupancy residential structure.

12 **Illegal Use**

13 41. Despite having been ordered to discontinue the illegal use of 417 OFW,
14 Defendants continue to operate 417 OFW as an illegal hotel or illegal transient occupancy
15 residential structure. In January 2016, a member of the public booked a room at 417 OFW for an
16 overnight stay. The reservation was made through the Venicesuites.com website. On January 8,
17 2016, the manager (manager@venicesuites.com) sent a reservation confirmation to the guest.
18 The reservation confirmation included a confirmation number and itemized the room reserved
19 (City View Queen Studio); arrival and departure date (January 9 to January 10, 2016); rate
20 (\$120.00); deposit amount (\$16.80); lockbox number and combination; and, provided additional
21 information including “Check In Process,” “Parking” and “Information and Policies.” The total
22 cost for the overnight stay was \$136.80. Printed in the “Information and Policies” were the
23 following statements relevant to transient occupancy: “Check-in is at 3:00 pm and check-out is at
24 12:00 noon”; “Housecleaning service is provided for weekly rentals only”; and, “For stays of 7
25 days or less you may request additional linens and towels.”

26 42. On January 8, 2016, the manager also sent the guest a “Venice Suites Guest
27 Receipt.” The receipt itemized the guest’s name, confirmation number, room type, arrival and
28 departure dates, average daily rate, and invoice number.

1 43. On January 9, 2016, the guest arrived at 417 OFW and entered the combination
2 provided into the keypad at the entrance to gain entry into the building. A sign affixed to the
3 keypad showed contact information for “Venice Suites” and instructions for contacting the
4 “Hotel Office.” The guest retrieved the keycard for room #27 from the lockbox. The word
5 “Welcome” was printed in English, Spanish, French, German, Italian and Japanese on the
6 keycard. Brochures advertising the “Venice Suites Hotel Collection” were available nearby.

7 44. On the way to the room, the guest observed several things consistent with
8 transient occupancy: a transient guest wearing a backpack and bringing two pieces of luggage
9 was checking into his room; the mailboxes did not show tenant names, only room numbers; and,
10 a housekeeping service was cleaning one of the rooms.

11 45. Once inside room #27, the guest made other observations consistent with transient
12 occupancy. Affixed to the door was a page of “Important Helpful Information” that included the
13 check in and check out policy; the WiFi network name and password; directions for using the
14 telephone; parking information; and where to find “bed linens for the fold out sofa sleeper.” At
15 the bottom of the page was the statement: “BOOK DIRECT AT VENICESUITES.COM ON
16 YOUR NEXT VISIT FOR YOUR RETURN GUEST DISCOUNT.” There were complimentary
17 soap, shampoo, conditioner and a stack of towels in the bathroom and customized beach towels
18 labeled “Venice Suites” in the closet. There were also cups, bowls and dishes available for use
19 in the kitchen.

20 46. On June 2, 2016, an investigator for the Los Angeles City Attorney booked a
21 room at 417 OFW for an overnight stay. The reservation was made through the
22 Venicesuites.com website. The investigator booked a one night stay: checking in on June 6,
23 2016, at 3:00 p.m. and checking out on June 7, 2016 at 11:00 a.m. The cost of the booking was
24 \$159.60.

25 47. Minutes after booking the reservation, the investigator received an email from
26 “noreply@reservation-booking-system.com,” with “Venice Suites, Reservation #1671020X
27 Confirmed” in the subject line. The email was entitled “Your Reservation Request” and stated
28 “Thank you for your reservation request. By placing your reservation online you indicated that

1 you accepted our terms and conditions. Please review your reservation summary as below.” The
2 email showed the reservation ID number; guest name; arrival and departure dates; the suite
3 reserved (“Queen Studios”); and, price.

4 48. On June 6, 2016, when the investigator arrived at 417 OFW, he was greeted by
5 the office clerk and checked in. The clerk provided the investigator with two room keys, a gate
6 key for offsite parking and a parking pass.

7 49. The investigator’s room was #7, located on the first floor. The room keys to
8 unlock the door were labeled with the word “Welcome,” also in Spanish, French, German, Italian
9 and Japanese. A flyer entitled, “Important Helpful Information” was provided on the kitchen
10 table. The flyer described the check-out policy; WiFi network and password; instructions about
11 how to use the telephone; parking instructions (offsite “in one of the designated secured parking
12 garages”); and, instructions for using the “fold out sofa sleeper.” The bottom of the page stated:
13 “BOOK DIRECT AT VENICESUITES.COM ON YOUR NEXT VISIT FOR YOUR RETURN
14 GUEST DISCOUNT.” The back of the flyer described: the housekeeping service; packages and
15 postal delivery with the address for delivery (“Your Name[;] 417 Ocean Front Walk (Your
16 Apartment Number)[;] Venice, CA 90291”); policy for visiting the roof terrace; and,
17 miscellaneous instructions. The bottom of the back page stated: “BOOK DIRECT AT
18 VENICESUITES.COM ON YOUR NEXT VISIT FOR YOUR RETURN GUEST
19 DISCOUNT.”

20 50. The investigator checked out the next day on June 7, 2016. During check out, the
21 investigator received a printout of the cost (\$169.60, including \$10 parking fee). The overnight
22 charges included a parking fee despite having been advertised as free.

23 APPLICABLE LAWS

24 51. An extensive regulatory framework of laws govern the condition and maintenance
25 of residential rental buildings in the City. As the owners and operators of 417 OFW, Defendants
26 have a legal duty to maintain 417 OFW in compliance with every applicable state and local law
27 and regulation.

28 ///

1 **Los Angeles Municipal Code section 11.00**

2 52. The LAMC provides that “[w]henver in this Code any act or omission is made
3 unlawful it shall include causing, permitting, aiding, abetting, suffering or concealing the act or
4 omission.” (LAMC, § 11.00(j).)

5 53. Section 11.00, subdivision (l) of the LAMC provides that: “In addition to any
6 other remedy or penalty provided by this Code, any violation of any provision of this Code is
7 declared to be a public nuisance”

8 54. LAMC section 11.00, subdivision (l) further provides that: “Violations of this
9 Code are deemed continuing violations and each day that a violation continues is deemed to be a
10 new and separate offense and subject to a maximum civil penalty of \$2,500 for each and every
11 offense.” Similarly, LAMC section 11.00, subdivision (m) provides that “each person shall be
12 guilty of a separate [criminal] offense for each and every day during any portion of which any
13 violation of any provision of this Code is committed, continued, or permitted by that person, and
14 shall be punishable accordingly.”

15 55. LAMC section 11.00, subdivision (l) declares any violation of the Code to be a
16 nuisance and authorizes Plaintiff to enforce any violation by seeking a restraining order,
17 injunction or other order or judgment in law or equity in the Superior Court. Thus, any violation
18 of the LAMC’s Zoning or Building Codes are public nuisances and continuing violations for
19 which Plaintiff may seek redress.

20 56. The Los Angeles Zoning Code, at LAMC section 12.00 et seq., consolidates and
21 coordinates “all existing zoning regulations and provisions into one comprehensive zoning plan
22 in order to designate, regulate and restrict the location and use of buildings, structures and land,
23 for agriculture, residence, commerce, trade, industry or other purposes” and “to regulate and
24 limit the height, number of stories, and size of buildings and other structures . . . to regulate and
25 limit the density of population” (LAMC, § 12.02.)

26 57. The Los Angeles Building Code, at LAMC section 91.101.2, “safeguard[s] life,
27 limb, health, property and public welfare by regulating and controlling the design, construction,
28 quality of materials, use and occupancy, location and maintenance of all buildings and structures

1 erected or to be erected within the city” (LAMC, § 91.101.2.)

2 **Rent Stabilization Ordinance**

3 58. On September 16, 1990, the Los Angeles City Council amended the LAMC’s
4 Rent Stabilization Ordinance (“RSO”) to alleviate the shortage of decent, safe and sanitary
5 housing in Los Angeles:

6 SEC. 151.01. DECLARATION OF PURPOSE.

7 There is a shortage of decent, safe and sanitary housing in the City
8 of Los Angeles resulting in a critically low vacancy factor.
9 Tenants displaced as a result of their inability to pay increased
10 rents must relocate but as a result of such housing shortage are
11 unable to find decent, safe and sanitary housing at affordable rent
12 levels. Aware of the difficulty in finding decent housing, some
13 tenants attempt to pay requested rent increases, but as a
14 consequence must expend less on other necessities of life. This
15 situation has had a detrimental effect on substantial numbers of
16 renters in the City, especially creating hardships on senior
17 citizens, persons on fixed incomes and low and moderate income
18 households. This problem reached crisis level in the summer of
19 1978 following the passage of Proposition 13. [¶] . . . [¶]

20 Therefore, it is necessary and reasonable to regulate rents so as to
21 safeguard tenants from excessive rent increases, while at the same
22 time providing landlords with just and reasonable returns from
23 their rental units. In order to assure compliance with the
24 provisions of this chapter violations of any of the provisions of
25 this chapter may be raised as affirmative defenses in unlawful
26 detainer proceedings.

27 (Amended by Ord. No. 166,130, Eff. 9/16/90.)

28 59. The RSO protects tenants from excessive rent increases by regulating rents. At
the same time, the RSO provides landlords with just and reasonable returns from their rental
units. (LAMC, § 151.01.) Specifically, LAMC section 151.04(A) provides: “It shall be
unlawful for any landlord to demand, accept or retain more than the maximum adjusted rent
permitted pursuant to this chapter or regulation or orders adopted pursuant to this chapter.”

60. LAMC section 151.06 limits the maximum rental increases allowed. Sections
151.06(A) and (B) provide the allowable increases for rental units with limited rent increases
prior to the enactment of the RSO. Section 151.06(C)(1) provides the maximum rental increase

1 for a unit where the tenancy was voluntarily vacated or where the tenancy was terminated
2 pursuant to subdivisions 1, 2, 3, 4, 9, or 13 of subsection A of section 151.09. Section
3 151.06(C)(2) provides that the maximum rent a landlord may collect upon re-renting a unit is
4 limited to the rent in effect at the time of the most recent termination of tenancy plus annual
5 adjustments available under section 151.06 depending on the circumstances of that termination.
6 HCIDLA retains the authority to grant adjustments for capital improvements and other
7 rehabilitation work. (LAMC, § 151.07.)

8 61. Pursuant to LAMC section 151.09, the RSO prohibits landlords from evicting
9 tenants except when: (1) the tenant has failed to pay rent; (2) the tenant has violated a lawful
10 obligation or covenant of the tenancy and has failed to cure the violation after having received
11 written notice from the landlord; (3) the tenant is committing a nuisance, causes damage, or
12 creates an unreasonable interference with the comfort, safety, or enjoyment of any of the other
13 residents; (4) the tenant is using the rental unit for an illegal purpose; (5) the tenant, who had a
14 written lease or rental agreement with the landlord which terminated, has refused, after written
15 request or demand by the landlord to execute a written extension or renewal of the lease; (6) the
16 tenant has refused the landlord reasonable access to the unit for making repairs or improvements
17 or for inspecting or showing the unit; (7) an unapproved subtenant is in possession of the rental
18 unit at the end of the lease term; (8) the landlord seeks in good faith to recover possession of the
19 rental unit for use and occupancy as a primary place of residence by the landlord, specified
20 family members of the landlord, or a resident manager; (9) the landlord seeks in good faith to
21 recover possession to renovate the unit in accordance with a Tenant Habitability Plan (“THP”)
22 and the tenant is unreasonably interfering with implementation of the THP by failing to
23 temporarily relocate or honor a permanent relocation agreement; (10) the landlord seeks in good
24 faith to recover possession of the rental unit to either demolish the rental unit or remove it
25 permanently from rental housing use; (11) the landlord seeks in good faith to recover possession
26 of the rental unit in order to comply with a governmental agency order; (12) the Secretary of
27 Housing and Urban Development is both the owner and plaintiff and seeks to recover possession
28 in order to vacate the property; (13) the rental unit is in a residential hotel, and the landlord seeks

1 to recover possession of the rental unit in order to convert or demolish the unit; and (14) the
2 landlord seeks to recover possession of the rental unit to convert the subject property to an
3 affordable housing accommodation in accordance with an affordable housing exemption issued
4 by the Housing and Community Investment Department. (LAMC, § 151.09(A)(1)-(14).)

5 62. Pursuant to LAMC section 151.09(A)(10), a landlord may recover possession of a
6 rental unit to permanently remove it from rental housing use in compliance with the Ellis Act.

7 63. The 1985 Ellis Act permits landlords to “go out of business.” (Gov. Code,
8 § 7060.7.) A landlord or owner must withdraw all of the accommodations of a structure from
9 rent or lease to get out of the business; withdrawing fewer than all of the accommodations is
10 illegal. (Gov. Code, § 7060.7(d).)

11 64. The Ellis Act does not interfere with local government authority over land use,
12 including regulation of the conversion of existing housing to condominiums or other subdivided
13 interests or to other nonresidential use following its withdrawal from rent or lease. (Gov. Code,
14 § 7060.7(a).) Nor does the Ellis Act preempt local regulations governing the demolition and
15 redevelopment of residential properties; override procedural protections designed to prevent
16 abuse of the right to evict tenants; or, (as previously mentioned) permit an owner to withdraw
17 from rent or lease fewer than all of the accommodations. (Gov. Code, § 7060.7(b)-(d).)

18 65. Provisions of the Ellis Act have been incorporated into the LAMC while
19 preserving the City’s authority to develop regulations for its implementation:

20 There continues to be a low vacancy rate for rental units in the City of
21 Los Angeles, and the withdrawal of residential rental property from rent
22 or lease will exacerbate the rental housing shortage and make it more
23 difficult for tenants displaced by the withdrawal to obtain replacement
24 housing. Because of the rental housing shortage, it is essential that
25 tenants be afforded substantial advance notice to enable them to obtain
26 replacement housing, and that they receive other protections available
27 under law.

28 (LAMC, § 151.22.)

66. If a landlord wishes to demolish or withdraw rental units subject to the RSO from
rental use, then the landlord must comply with the provisions of LAMC section 151.23 requiring

1 the landlord to: (A) file and deliver to the HCIDLA a Notice of Intent to Withdraw (under
2 penalty of perjury) at least 120 days prior to withdrawal; (B) record with the County Recorder a
3 memorandum summarizing the provisions of the Notice of Intent to Withdraw; and, (C) notify
4 each affected tenant. (LAMC, § 151.23(A)-(C).)

5 67. Tenants who are at least 62 years of age or disabled, who have lived in their
6 accommodations for at least one year before the delivery of the Notice of Intent to Withdraw,
7 have the right to extend their tenancy to one year after delivery. The tenant must give written
8 notice to the landlord of this entitlement within 60 days of the date of delivery of the Notice of
9 Intent to Withdraw. (LAMC, § 151.23(C)(5)(a).)

10 68. If a landlord desires to re-rent or re-lease a unit that was the subject of a Notice of
11 Intent to Withdraw, the landlord must file with HCIDLA a Notice of Intention to Re-Rent
12 Withdrawn Accommodation. (LAMC, § 151.24(A).) Displaced tenants who wish to renew their
13 tenancies in their former units that were withdrawn from, but are put back on, the rental market
14 may do so. The tenant must advise the landlord or owner in writing within 30 days of the
15 displacement of his or her desire to consider an offer to renew the tenancy and must furnish the
16 owner with an address to which that offer is to be directed. (Gov. Code, § 7060.2(b)(3) and
17 LAMC, § 151.27(A).) If a tenant advises a landlord of the desire to re-rent a unit and the
18 landlord offers a unit for rent within two years of the withdrawal, the landlord shall offer to
19 reinstate a rental agreement or lease on terms permitted by law. (LAMC, § 121.27.) A landlord
20 who offers for rent or lease a unit that was the subject of a Notice of Intent to Withdraw within
21 two years of the date of withdrawal of unit is liable to any tenant or lessee who was displaced
22 from the property for actual and exemplary damages. (LAMC, § 151.25(A).)

23 69. If a landlord offers for re-rent or re-lease a rental unit which was the subject of a
24 Notice of Intent to Withdraw within five years after the Notice or within five years after the unit
25 was withdrawn, the landlord must file a Notice of Intention to Re-Rent Withdrawn
26 Accommodations. (LAMC, § 151.24(A).) The landlord must offer the unit at the lawful rent in
27 effect when the Notice was filed. (LAMC, § 151.26(A).) The landlord shall first offer the unit
28 to the displaced tenant, provided that the tenant has requested the offer in writing within 30 days

1 after the landlord has filed the Notice of Intention to Re-Rent Withdrawn Accommodations.
2 (LAMC, § 151.27(B).) A landlord who fails to comply with these requirements is liable to the
3 displaced tenant for punitive damages. (LAMC, § 151.27(B).)

4 70. The RSO requires every landlord who accepts rent for a rental unit to procure a
5 valid registration or annual registration renewal statement from HCIDLA for each rental unit.
6 (LAMC, § 151.05(A)(5).) The fee for the registration or annual registration renewal for each
7 rental unit is twenty-four dollars and fifty-one cents (\$24.51), due on the first day of January
8 every year. (LAMC, § 151.05(B)(5).)

9 **Public Nuisance Law**

10 71. A nuisance is defined as including “[a]nything which is . . . offensive to the
11 senses, or an obstruction to the free use of property, so as to interfere with the comfortable
12 enjoyment of life or property, or unlawfully obstructs the free . . . use [of any public] street, or
13 highway” (Civ. Code, § 3479.)

14 72. A public nuisance is “one which affects at the same time an entire community or
15 neighborhood, or any considerable number of persons, although the extent of the annoyance or
16 damage inflicted upon individuals may be unequal.” (Civ. Code, § 3480.) Substandard
17 conditions, including the unapproved use of a property, fall within the definition of a public
18 nuisance as defined by Civil Code sections 3479 and 3480.

19 73. A public nuisance may be abated by indictment or information, a civil action or
20 abatement accomplished by an injunction issued by a court of equity. (Civ. Code, § 3491;
21 *Sullivan v. Royer* (1887) 72 Cal. 248, 249; *People v. Selby Smelting & Lead Co.* (1912) 163 Cal.
22 84, 90.)

23 **Nuisance Per Se**

24 74. In California, city and county legislative bodies are empowered to declare what
25 constitutes a nuisance. (Gov. Code, § 38771.) The City Attorney may bring an action to enjoin
26 or abate a public nuisance. (Code Civ. Proc., § 731; LAMC, § 11.00, subd. (I).) Pursuant to
27 LAMC section 11.00(I), any violation of the Code is deemed a public nuisance which may be
28 abated by the City Attorney on behalf of the People of the State of California.

1 75. "[A]ll parties to a nuisance *per se*, he who creates it and he who maintains it, are
2 responsible for its effect, without limitations of conditions or time." (*McClatchy v. Laguna*
3 *Lands Limited* (1917) 32 Cal.App. 718, 725.) A continuing nuisance is one which may be abated
4 at any time. (*Spar v. Pacific Bell* (1991) 235 Cal.App.3d 1480, 1485-1486.)

5 **Unfair Competition Law**

6 76. The Unfair Competition Law ("UCL") prohibits "unfair competition," which
7 includes "any unlawful, unfair or fraudulent business act or practice" (Bus. & Prof. Code,
8 § 17200.) The UCL authorizes the City Attorney to bring a civil enforcement action against any
9 person who engages, has engaged, or proposes to engage in unfair competition. (Bus. & Prof.
10 Code, § 17203.) The UCL defines "person" to include natural persons, corporations, firms,
11 partnerships, joint stock companies, associations and other organizations of persons. (Bus. &
12 Prof. Code, § 17201.)

13 77. Plaintiff may seek injunctive relief, appointment of a receiver, and restitution.
14 (Bus. & Prof. Code, §§ 17203 and 17204.) Also, when a UCL action is brought by the City
15 Attorney in the name of the People, the City Attorney may seek civil penalties of up to \$2,500
16 for each violation of the UCL or up to \$5,000 if the violation was perpetrated against a disabled
17 or elderly person. (Bus. & Prof. Code, §§ 17206 and 17206.1.) The UCL's remedies and
18 penalties are cumulative to each other and to the remedies or penalties available under all other
19 laws in California. (Bus. & Prof. Code, § 17205.)

20 **Appointment of a Receiver**

21 78. Pursuant to Business and Professions Code section 17203, the court may appoint
22 a receiver "to prevent the use or employment by any person of any practice which constitutes
23 unfair competition, as defined in this chapter, or as may be necessary to restore to any person in
24 interest any money or property, real or personal, which may have been acquired by means of
25 such unfair competition." (Bus. & Prof. Code, § 17203.)

26 **False Advertising**

27 79. California's False Advertising Law protects consumers and competitors by
28 promoting fair competition in commercial markets for goods and services, by making it unlawful

1 for “any person . . . corporation . . . or any employee . . . to induce the public to enter into any
2 obligation relating thereto, to make or disseminate . . . before the public in this state . . . in any
3 newspaper or other publication . . . or in any other manner or means whatever . . . any statement,
4 concerning that real or personal property or those services . . . which is untrue or misleading, and
5 which is known, or which by the exercise of reasonable care should be known, to be untrue or
6 misleading . . .” (Bus. & Prof. Code, § 17500.) To state a claim for false advertising, a plaintiff
7 must show that (1) statements in the advertising are untrue or misleading, and that (2)
8 Defendants knew, or by the exercise of reasonable care should have known, that the statements
9 were untrue or misleading. (*People v. Lynam* (1967) 253 Cal.App.2d 959, 965.)

10 80. A violation of Business and Professions Code section 17500 is a misdemeanor,
11 punishable by fine or imprisonment. (Bus. & Prof. Code, § 17534.) Plaintiff may also seek civil
12 penalties, injunctive relief and restitution. (Bus. & Prof. Code, §§ 17535 and 17536.)

13 **FIRST CAUSE OF ACTION**

14 **(Violations of LAMC section 11.00)**

15 **(By Plaintiff against Defendants and DOES 1 through 100)**

16 81. Plaintiff alleges and incorporates herein by reference paragraphs 1 through and
17 including 80 of this Complaint as if set forth fully herein.

18 82. Plaintiff brings this action pursuant to LAMC section 11.00, subdivision (l),
19 which authorizes Plaintiff to enforce any violation of the LAMC by seeking an injunction or
20 other appropriate order in the Superior Court.

21 83. Defendants have violated the Los Angeles Zoning Code and Building Code by
22 causing, permitting, and allowing improper use of the following:

- 23 a. 417 OFW as an illegal hotel or illegal transient occupancy residential structure for
24 transient occupancy (LAMC sections 12.10(A), 12.21.1(A)(1), 12.26(E),
25 91.109.1, 91.8105, and 91.8204); and
26 b. Failing to comply with an Order to Comply (LAMC section 91.103.3).

27 ///

28 ///

1 84. Defendants were notified in writing by HCIDLA of the aforementioned LAMC
2 violations on January 26, 2015. Notwithstanding such notice, Defendants have failed to correct
3 or cease committing the continuing violations.

4 85. Unless enjoined and restrained, Defendants will continue to maintain 417 OFW as
5 an illegal hotel or as an illegal transient occupancy residential structure in violation of the City's
6 comprehensive zoning plan by engaging in the inappropriate use of buildings and land. Said
7 violations contribute directly to the City's lack of affordable housing by removing available
8 housing stock from the rental market; unfairly competing against legitimate area hotels; and,
9 deceiving the public with their false advertisements.

10 86. Plaintiff has no adequate remedy at law and injunctive relief is expressly
11 authorized by LAMC section 11.00, subdivision (l). Plaintiff also seeks costs incurred for
12 investigating and prosecution this action.

13 **SECOND CAUSE OF ACTION**

14 **(Violations of Code of Civil Procedure section 731 and Civil Code sections 3479, 3480)**

15 **(By Plaintiff against Defendants and DOES 1 through 100)**

16 87. Plaintiff alleges and incorporates herein by reference paragraphs 1 through 86 of
17 this Complaint as if set forth fully herein.

18 88. Plaintiff brings this action pursuant to Code of Civil Procedure section 731 to
19 abate a public nuisance.

20 89. Defendants have caused and maintained a continuing public nuisance at 417 OFW
21 since at least 2009 and each day thereafter until the present time. Through their continued
22 operation of 417 OFW in violation of the Los Angeles Zoning and Building Codes, Defendants
23 maintain 417 OFW as a public nuisance as defined by LAMC section 11.00, subdivision (l).
24 Thus, Defendants' continuing illegal acts are continuing public nuisances under the LAMC and
25 Civil Code, as defined in Civil Code sections 3479 and 3480.

26 90. These continuing nuisance conditions at 417 OFW adversely affect the immediate
27 and adjoining neighborhoods, as well as the entire community. The ongoing illegal operation of
28 417 OFW violates the City's comprehensive zoning plan by engaging in the inappropriate use of

1 buildings and land, resulting in the loss of affordable rental housing stock; competes unfairly
2 against legitimate area hotels; and, deceives the public with their false advertisements.

3 91. Defendants were notified of the aforementioned nuisance conditions by written
4 notice from HCIDLA on January 26, 2015. Notwithstanding such notice, Defendants continue to
5 illegally operate 417 OFW, thereby maintaining the nuisance conditions.

6 92. Unless Defendants are restrained by order of this Court, Defendants will continue
7 to maintain 417 OFW in the above-described nuisance condition, thereby causing irreparable
8 injury and harm to the public's health and welfare.

9 93. Plaintiff has no adequate remedy at law and injunctive relief is expressly
10 authorized by Code of Civil Procedure sections 526 and 731.

11 94. If it becomes necessary for Plaintiff to correct the violations or abate the nuisance
12 at 417 OFW, Plaintiff will incur substantial costs. Thus, Plaintiff requests recovery of its costs to
13 correct these violations or abate the nuisance and establishment of priority liens on 417 OFW for
14 such costs.

15 THIRD CAUSE OF ACTION

16 (Violations of Business and Professions Code section 17200 et seq.)

17 (By Plaintiff against Defendants and DOES 1 through 100)

18 95. Plaintiff alleges and incorporates herein by reference paragraphs 1 through 94 of
19 this Complaint as if set forth fully herein.

20 96. Plaintiff brings this cause of action pursuant to Business and Professions Code
21 section 17204 to enjoin Defendants' engaging in unfair competition by their unlawful, unfair or
22 fraudulent business acts or practices.

23 97. Defendants have violated and continue to violate the UCL (Business and
24 Professions Code section 17200 et seq.) by:

- 25 a. Illegally converting 417 OFW from its approved use as an apartment
26 house to its current unapproved use as a hotel (self-styled as "Venice Suites") or
27 as a transient occupancy residential structure in violation of LAMC sections
28 12.10(A), 12.26(E), 91.109.1, 91.8105, and 91.8204;

1 b. Falsely advertising 417 OFW and Venice Suites as a purported hotel or
2 transient occupancy residential structure to induce the public to believe that 417
3 OFW and/or Venice Suites is a legal hotel or transient occupancy residential
4 structure available for transient occupancy. Defendants have made or
5 disseminated, or caused to be made or disseminated, statements before the public
6 in every state and across the world, advertisements over the Internet describing
7 417 OFW and Venice Suites as a purported hotel or transient occupancy
8 residential structure that were and are untrue and misleading and which were and
9 are known by Defendants to be untrue or misleading, in violation of Business and
10 Professions Code section 17500; and,

11 c. Renting residential rooms at 417 OFW and Venice Suites as hotel or
12 transient occupancy rooms, in violation of LAMC sections 12.10(A), 12.26(E),
13 91.109.1, 91.8105, and 91.8204.

14 98. On January 26, 2015, Defendants were notified by HCIDLA that use of 417 OFW
15 as a hotel or transient occupancy residential structure violated the LAMC. Yet, Defendants have
16 not corrected the violations nor have they indicated to Plaintiff any intention to permanently
17 correct these violations.

18 99. Defendants' acts of unfair competition present a continuing threat to the public
19 and Plaintiff has no adequate remedy at law. Accordingly, unless the Defendants are
20 permanently enjoined and restrained by order of this Court, they will continue to commit acts of
21 unlawful and unfair competition, and thereby continuing to cause irreparable harm and injury to
22 the public.

23 **FOURTH CAUSE OF ACTION**

24 **(Violations of Business and Professions Code section 17500 et seq.)**

25 **(By Plaintiff against Defendants and DOES 1 through 100)**

26 100. Plaintiff alleges and incorporates herein by reference paragraphs 1 through 99 of
27 this Complaint as if set forth fully herein.

28 101. Plaintiff brings this cause of action pursuant to Business and Professions Code

1 section 17500 et seq. to enjoin Defendants' acts of false advertising.

2 102. Defendants have engaged in false advertising, holding themselves out as
3 legitimate hotel or transient occupancy residential structure operators, to induce the public to
4 believe that 417 OFW is a hotel or transient occupancy residential structure, and to rent rooms at
5 417 OFW, by making or disseminating or causing to be made or disseminated from California,
6 before the public in every other state and across the world, advertisements over the Internet with
7 statements describing 417 OFW as a purported hotel or a transient occupancy residential
8 structure and the renting of rooms at 417 OFW that were and are untrue or misleading and which
9 were and are known by Defendants to be untrue or misleading.

10 103. Defendants have advertised and continue to advertise 417 OFW as a hotel or
11 transient occupancy residential structure on various Internet websites. Defendants' false
12 advertising is likely to deceive the public. Indeed, Defendants' false advertising has actually
13 deceived the general consuming public or targeted consumers such that some have suffered
14 actual loss.

15 104. In defiance of the Los Angeles Zoning Code and Building Code and the
16 regulatory agencies charged with enforcing them, Defendants persist in falsely advertising 417
17 OFW as a hotel or transient occupancy residential structure such that Plaintiff has no adequate
18 remedy at law. Unless Defendants are permanently enjoined and restrained by order of this
19 Court, they will continue to commit acts of false advertising and continue to cause irreparable
20 harm and injury to the public.

21 **PRAYER FOR RELIEF**

22 Wherefore, Plaintiff prays for judgment against Defendants and DOES 1 through 100,
23 and each of them, as follows:

24 **AS TO THE FIRST CAUSE OF ACTION**

25 1. That the Court find that Defendants and their agents, heirs, successors, officers,
26 employees and anyone acting on their behalf have violated LAMC section 11.00 et seq.

27 2. That Defendants and their agents, heirs, successors, officers, employees and
28 anyone acting on their behalf be held jointly and severally liable for all penalties and other relief

1 awarded in favor of Plaintiff and against Defendants.

2 3. That Defendants and their agents, heirs, successors, officers, employees and
3 anyone acting on their behalf be ordered to pay Plaintiff's abatement costs, re-inspection fees,
4 administrative penalties, and civil penalties in the amount of \$2,500 per day for each and every
5 violation, pursuant to LAMC section 11.00(1).

6 **AS TO THE SECOND CAUSE OF ACTION**

7 4. That 417 OFW, together with the fixtures and moveable property therein and
8 thereon, be declared a public nuisance and be permanently abated as such in accordance with
9 Civil Code sections 3479 and 3480.

10 5. That the Court find that Defendants and their agents, heirs, successors, officers,
11 employees and anyone acting on their behalf have owned, operated, maintained, and managed
12 417 OFW in a manner constituting a public nuisance.

13 6. That the Court grant a permanent injunction, order of abatement, and judgment in
14 accordance with Civil Code section 3491, enjoining and restraining Defendants and their agents,
15 heirs, successors, officers, employees and anyone acting on their behalf from owning, operating,
16 maintaining, and managing 417 OFW as a public nuisance, and to bring 417 OFW into
17 compliance with all applicable State and local regulations.

18 7. That Defendants and their agents, heirs, successors, officers, employees and
19 anyone acting on their behalf be held jointly and severally liable for all penalties and other relief
20 awarded in favor of Plaintiff and against Defendants.

21 **AS TO THE THIRD CAUSE OF ACTION**

22 8. That the Court find that Defendants and DOES 1 through 100, their successors,
23 agents, representatives, employees and all persons who act in concert with them have engaged in
24 unfair competition.

25 9. That the Court grant a permanent injunction and order of abatement enjoining and
26 restraining Defendants, DOES 1 through 100, their agents, heirs, successors, officers, employees
27 and anyone acting on their behalf from engaging in unfair competition and from owning,
28

1 operating, maintaining, and managing 417 OFW in an unlawful condition, as defined by
2 applicable laws and regulations.

3 10. That the Court appoint a receiver to take charge of 417 OFW, with all powers and
4 duties permitted by law.

5 11. That upon the discharge of the receiver, Defendants, DOES 1 through 100, their
6 agents, heirs, successors, officers, employees and anyone acting on their behalf, be required to
7 maintain 417 OFW in full compliance with all State, County, and City laws.

8 12. That Defendants, DOES 1 through 100, their agents, heirs, successors, officers,
9 employees and anyone acting on their behalf, be adjudged jointly and severally liable and
10 assessed the maximum civil penalty of \$2,500 for each violation of the UCL that they
11 committed, caused, maintained, permitted, and conspired to commit relating to 417 OFW that
12 they owned, managed, and/or had an interest in during the relevant four year time period.

13 13. That Defendants and DOES 1 through 100 be ordered to make direct restitution of
14 any money or other property that may have been acquired as a result of their unlawful and unfair
15 business acts and practices related to 417 OFW.

16 14. That Defendants, DOES 1 through 100, and their agents, heirs, successors,
17 officers, employees and anyone acting on their behalf be held jointly and severally liable for all
18 penalties, restitution and other relief awarded in favor of Plaintiff and against Defendants.

19 **AS TO THE FOURTH CAUSE OF ACTION**

20 15. That the Court find that Defendants and DOES 1 through 100, their successors,
21 agents, representatives, employees and all persons who act in concert with them have engaged in
22 false advertising.

23 16. That the Court grant a permanent injunction and order of abatement enjoining and
24 restraining Defendants, DOES 1 through 100, their agents, heirs, successors, officers, employees
25 and anyone acting on their behalf from engaging in false advertising and from owning, operating,
26 maintaining, and managing 417 OFW in an unlawful manner, as defined by applicable laws and
27 regulations.

1 17. That Defendants, DOES 1 through 100, their agents, heirs, successors, officers,
2 employees and anyone acting on their behalf, be adjudged jointly and severally liable and
3 assessed the maximum civil penalty of \$2,500 for each violation of the False Advertising Law
4 that they committed, caused, maintained, permitted, and conspired to commit relating to 417
5 OFW that they owned, managed, and/or had an interest in during the relevant four year time
6 period.

7 18. That Defendants, DOES 1 through 100, and their agents, heirs, successors,
8 officers, employees and anyone acting on their behalf be held jointly and severally liable for all
9 penalties, restitution and other relief awarded in favor of Plaintiff and against Defendants.

10 **AS TO ALL CAUSES OF ACTION**

11 19. That Plaintiff recovers the amount of the filing fees and fees for the service of
12 process or notices which would have been paid but for Government Code section 6103.5,
13 designating it as such and, that the fees, at the Court's discretion, may include the amount of the
14 fees for certifying and preparing transcripts.

15 20. That the Court issue orders to Plaintiff to record the lis pendens, issue an Order
16 Appointing the Receiver, Permanent Injunction, Abatement Order, and Judgment with the Los
17 Angeles County Recorder.

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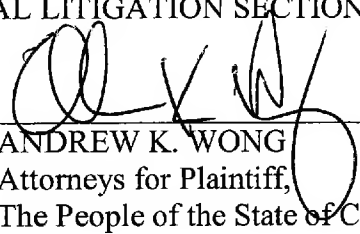
1 21. That the Court grants Plaintiff such other and further relief as the Court deems
2 just and proper.

3
4 Dated: June 17, 2016

5 Respectfully submitted,

6 MICHAEL N. FEUER, City Attorney
7 TINA HESS, Assistant City Attorney
8 ANDREW K. WONG, Deputy City Attorney
9 OFFICE OF THE LOS ANGELES CITY ATTORNEY
10 CRIMINAL BRANCH
11 SPECIAL LITIGATION SECTION

12 By: _____

13 
14 ANDREW K. WONG
15 Attorneys for Plaintiff,
16 The People of the State of California